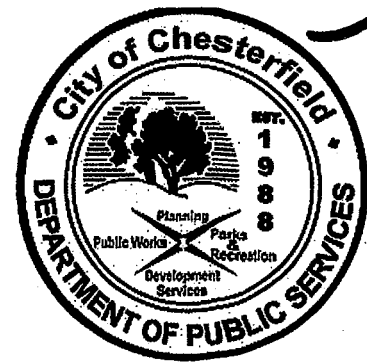


MEMORANDUM

DATE: December 19, 2012
TO: Mike Herring, City Administrator
FROM: Mike Geisel, Director of Public Services
RE: Chesterfield Amphitheater



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Since the grand opening of the amphitheater in 2011, Staff has worked diligently to not only provide a great experience through our annual free concert series, but we have also worked to create market awareness as a viable entertainment venue for commercial events. We have successfully rented the facility on multiple occasions for both private and commercial events. Our role and revenue in renting the facility, is passive and fairly limited. Typically, an event promoter leases the facility for a specific date and they then seek to match a performer with the available date. They sell tickets for the event, produce the show, provide security and assume the financial risks associated with weather and attendance. We believe that the amphitheater potential will not be fully utilized until the entertainment community develops a larger experience history at the venue. **As such, we believe the next logical step in maximizing the utility of the Chesterfield Amphitheater is for the City to host a ticketed event with the intent of generating revenue.**

We recommend and propose that the City plan, promote, and fund a ticketed concert event in 2012. Such an event would require that the City fully fund the event costs, but also means that the City has the potential for significant upside financial gains that could then be used to fund other acts. It is critically important that any ticketed event at the amphitheater be clearly and assertively differentiated from the City's concert series. A ticketed event will be commercially priced and revenue will also be derived from concessions and merchandising. Pricing will not be the same as the Parks subsidized concert series, but more consistent with other commercial venues. Patrons will not be allowed to bring their own food or drink to such an event. It will be important that such events be identified distinctly different than our parks offerings such that residents and concert goers do not expect a subsidized offering. The marketing would not identify the event as a City sponsored concert.

I recommend that \$35,000 be transferred from Parks Fund - Fund Reserves to fund a ticketed concert event in 2012, with all net proceeds returning to the Parks Fund - Fund Reserves. In doing so, staff will initiate efforts to secure a marketable date and performer with the intent of generating additional positive revenue from the Amphitheater. It should be clear, that in undertaking such an event, the City does accept the financial risks

associated with any ticketed outdoor event. We would, of course, seek to minimize the risk, but the risk exists nonetheless.

Our program budget for such an event is provided as follows:

Expenses:		Ticket Sales:	
Artist fee =	\$20k	96 VIP/\$65 =	\$ 6,240
Production Fee =	\$8k	304 Reserved/\$50 =	\$ 15,200
Security =	\$2k	<u>2,500 Lawn/\$30 =</u>	<u>\$ 75,000</u>
<u>Marketing =</u>	<u>\$7k</u>		\$ 96,440
	\$35k		- \$ 35,000
		Net Total	\$ 61,440*

**revenues indicated do not include amounts for concessions or merchandising.*

We have, obviously, completed substantial due diligence and believe that we can attract marketable, current performance artists. Inasmuch as the selection of a performance artist is a matter of opportunity and being able to react quickly, we need the ability to be able to make offers and contract with performers immediately. Frankly, it is critical that Staff is empowered to negotiate directly and freely with the various performance artists to be able to lock them in and take advantage of fleeting opportunities.

I believe that such a proposal is consistent and in furtherance of the direction provided by City Council as to their desired use of the amphitheater. As such, I request that the proposal be considered as soon as practicable such that if we were authorized to proceed, we could initiate efforts to secure a marketable performer, select a date, and begin to create event awareness. If you have any questions, please let me know.

Cc Tom McCarthy, Parks and Recreation Director
Aimee Nassif, Planning and Development Services Director
Jim Eckrich, Public Works Director\City Engineer

✓
12/26/12

*cc: → BEISEL
MCCARTHY ✓*

*ADD TO NEXT MTG. OF PARKS/REC.
COMMITTEE OF CITY COUNCIL*